STATE OF NEW YORK

7599

2025-2026 Regular Sessions

IN ASSEMBLY

April 1, 2025

Introduced by M. of A. SEPTIMO -- read once and referred to the Committee on Judiciary

AN ACT to amend the civil practice law and rules, in relation to disclosing third-party consumer litigation financing agreements

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short title. This act shall be known and may be cited as the "sunshine in lawsuit funding act".

§ 2. The civil practice law and rules is amended by adding a new rule 3120-a to read as follows:

Rule 3120-a. Disclosure of financing agreements; discovery. 1. Except as otherwise stipulated or ordered by the court, a consumer or their legal representative shall, without awaiting a discovery request, provide to all parties to the litigation, including their insurer if prior to litigation, any litigation funding contract or agreement under which anyone, other than a legal representative permitted to charge a contingent fee representing a party, has a right to receive compensation or proceeds from the consumer that are contingent on and sourced from any proceeds of the civil action, by settlement, judgment, or otherwise.

2. The existence of litigation funding and all participants in such arrangements are permissible subjects of discovery in all personal injury litigation and matters arising out of personal injuries including actions for wrongful death and personal injury actions involving infants or judicially declared incapacitated persons.

§ 3. This act shall take effect on the thirtieth day after it shall have become a law.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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